Central Intelligence Agency



DIRECTORATE OF INTELLIGENCE

29 August 1984

South	Korea-Japan:	President	Chun's	Trip	
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Summary

Chun Doo Hwan's trip to Japan 6-8 September--the first state visit by a South Korea president--is a significant step forward in the often troubled relationship between two important US allies. Both Tokyo and Seoul are emphasizing the visit's symbolic importance, and we do not expect any breakthroughs on longstanding bilateral issues. Still, both Chun and Prime Minister Nakasone want the visit to treat several troublesome, historical headaches and to focus on more positive aspects of the relationship. The degree of their success will bear directly on Chun's fortunes this fall when he faces the campus protest season and a National Assembly election campaign.

Chun's visit to Tokyo on 6-8 September reciprocates Nakasone's state visit to Seoul in January 1983. Nakasone's trip, the first ever by a Japanese leader, improved the bilateral atmosphere as well as induced both countries to moderate their behavior toward a variety of peripheral irritants that have often bothered the relationship.

Even so, nearly 20 years after Seoul and Tokyo normalized relations and 40 years after the Japanese occupation of Korea ended, dealings between these two US allies are burdened by mutual distrust. Korean emotions are particularly intense, and as a result the trip has some political risk for Chun. Unless he

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Analysis. Information available as	of 28 August was used in its
preparation. Comments and queries	are welcome and may be
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projects an image of Korean parity with Japan and can produce some tangible results at the summit, he could face serious protests on his return home. University campuses are reopening for the autumn semester and this, together with the launching of a National Assembly campaign, could give Chun's opponents the forum in which to criticize him.

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We believe Chun, with the domestic audience very much in mind, will seek to:

- -- Further burnish his image as a leader who can manage foreign affairs to Korea's advantage. He has already benefitted from a strengthening of ties with the United States and from the prestige bestowed on Korea as the chosen site of the 1988 summer Olympics.
- -- Close the book on Japan's colonial role in Korea, allowing both sides to accentuate the positive in the bilateral relationship.
- -- Dilute Japanese interest in improving informal ties with North Korea.

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According to US Embassy sources in Tokyo, the Japanese Government is well aware of what is at stake for Chun and is determined to make his trip a success. Foreign Ministry officials have said they believe the visit will be "epoch making," enabling both sides to put the past behind them and focus on the future. We believe Nakasone, like Chun, enjoys playing the role of statesman and sees a successful summit as part of the stage setting for his reelection as president of the ruling Liberal Democratic Party (LDP) in November.

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Issues of Symbolic Importance

In our view, the Korean opposition is most likely to focus its protests on those issues least susceptible to quick and easy solutions. Some relate to Japan's prewar and postwar treatment of Koreans:

- -- The more than 650,000 Korean residents in Japan continue to face social, economic, and legal discrimination. Seoul wants an end to the requirement that they be fingerprinted along with other aliens, but Japanese officials maintain that necessary amendments to the Alien Registration Law are not in the cards.
- -- South Korea remains sensitive about the use of euphemisms in Japanese textbooks to describe Japan's occupation of Korea. Although the intensity of this issue has diminished since the textbook furor of 1982, the Koreans still want further revisions to the textbooks.

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The Koreans may find that their particular interest in a conciliatory Japanese reference to Japan's colonial occupation will be dealt with to Seoul's satisfaction. Although Nakasone officially expressed Japan's regret during his visit to Seoul, the Koreans want a gesture from Emperor Hirohito. If they get one—the issue is being considered by the Imperial Household Agency—both Chun and the Korean people would regard it as a major gain and justification for the trip.

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Economic Issues

Economic problems related to Japan, in our view, do not immediately concern the average Korean and therefore are not likely to become the focus of political debate and protest. They are nonetheless one of Seoul's major preoccupations in day-to-day relations with Tokyo:

-- Korea's trade deficit with Japan, which averages about \$3 billion annually (see tables). South Korea has pursued an import diversification policy since 1978 that has reduced Japan's share of total Korean imports from 40 percent to 22 percent, largely by substituting US-origin goods. Chun will press Nakasone to open the Japanese market to South Korean manufactures, particularly footwear and textiles. Both sides have already announced they will exchange buying and selling missions later this fall.

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-- Access to Japanese technology. Tokyo regards the issue as a private-sector problem, but Japanese businessmen fear future Korean competition and have authorized major transfers only when the Koreans were clearly prepared to buy elsewhere. Notwithstanding the official agreement in July to conduct joint research in areas such as nuclear waste disposal and industrial welding, progress on technology transfer will be slow.

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Defense and Security Issues

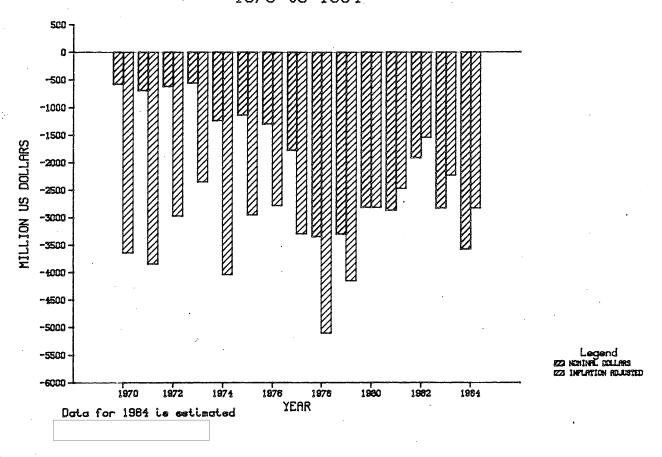
We believe Chun and Nakasone regard their convergence of views on broader issues of Northeast Asian security as an especially positive aspect of the relationship. Japan's public position on the security of the Korean Peninsula is highly sensitive in Seoul and Tokyo, however, and differences on the issue have already surfaced in preparations for the visit. According to US Embassy reporting, Seoul originally wanted a strong joint statement to conclude the visit that directly linked Japanese security to South Korean defense efforts. Seoul's position was reminiscent of its stand in aid negotiations with Japan during 1981-82 when the approach presented a roadblock to concluding the talks. Tokyo still resists such an explicit formulation, and both sides apparently have agreed to state that peace and stability on the Korean peninsula is essential to Japanese security.

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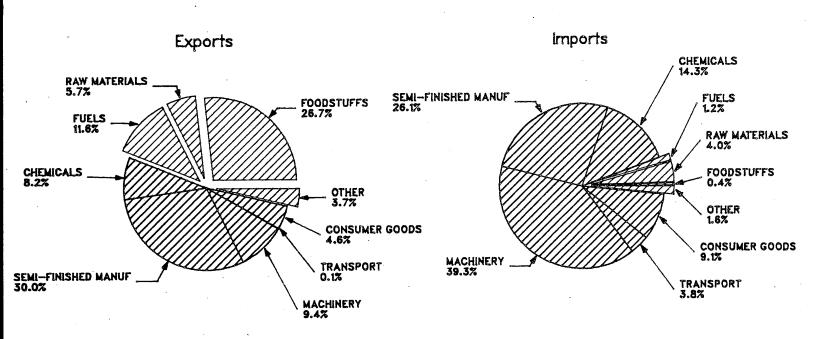
South Koreas Trade Balance with Japan 1970 to 1984



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Composition of South Korean Trade with Japan 1983



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Seoul continues to be ambivalent about Japan's growing military capabilities. Despite latent fears that the effort could re-create a militarist Japan, Seoul acknowledges that Tokyo has a legitimate right to self-defense. We believe that as long as US-Japanese relations are on track and the buildup remains modest, South Korea is unlikely to feel threatened. Seoul would reassess this position, in our view, if it felt the buildup went too far too fast, or led to a diminished US military presence in the area.

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We believe that both Seoul and Tokyo will explore possibilities of expanding defense cooperation, particularly in the areas of personnel exchanges and sharing air defense intelligence This dialogue is likely to continue later this fall, when the Chairman of Japan's Joint Staff Council returns the visit by the Korean Joint Chiefs of Staff Chairman, who is part of Chun's summit delegation. Nakasone's sensitivity to domestic charges that these contacts amount to unconstitutional collective security measures, and Seoul's fear that they could provoke an anti-Japanese backlash at home. ensure that any movement will be gradual and low key.

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Japan and North Korea

President Chun will urge Nakasone to maintain the sanctions imposed on official contacts with North Korea in the wake of last year's Rangoon bombing. By and large, the trends in Japan favor Chun's request.

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The US Embassy in Tokyo reports that Foreign Ministry officials maintain no basic changes to Japan's policy toward North Korea are in the offing and that Japan will do nothing to interfere with the progress in its improved South Korean relationship. Nakasone himself has supported—in ways more visible than his predecessor's—a strong South Korea as the key to stability on the peninsula. His initiatives also reflect broader trends within the ruling LDP and Japan itself, where even the opposition parties have become disenchanted with North Korea. Kim Il—song's efforts to install his son as his successor helped prompt an open break on the part of the Japanese Communist Party. Meanwhile, newly demonstrated Democratic Socialist Party and Komeito support for Seoul has left the Japan Socialist Party (JSP) as P'yongyang's only significant sympathizer, but even it has recently authorized contacts with "democratic forces" in the South.*

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^{*}In an effort to "balance" Chun's visit, JSP leader Masashi Ishibashi has announced plans to visit P'yongyang in mid September.

Given P'yongyang's chronic repayment problems, we believe that the economic argument for expanding Japanese contacts with the North is weak. Japanese trade with North Korea is less than 5 percent of total trade with the South. The LDP is under pressure, however, from fishery interests that want to reinstitute the private agreement with the North that permitted Japanese boats safe access to fishing grounds in North Korea's protected economic zone. In an effort to force Tokyo to grant visas to a team of official negotiators, P'yongyang let the agreement lapse in 1982.

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Recent seizures of Japanese boats within this 200-mile zone suggest to us that P'yongyang hopes to use the fishery gambit to lure Tokyo into ending its post-Rangoon ban on visits by North Korean officials. We believe that Nakasone might authorize a partial relaxation of the ban by allowing "working-level" officials to enter Japan solely for the purpose of negotiating a fishery agreement. The step could strain Tokyo's relations with Seoul, although we judge the difficulties would be temporary and would not set back the overall relationship.

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Seoul would prefer that Nakasone treat political contacts with North Korea only in the context of multilateral efforts to reduce tension on the peninsula. In particular, Seoul has sought to convince Tokyo to defer any moves toward P'yongyang until one of North Korea's allies--Seoul usually points to China--reciprocates with similar gestures toward South Korea. Movement along these lines appears unlikely, however, at least in the short term. China, although concerned about the potential for trouble on the peninsula, is constrained by P'yongyang's steadfast opposition to any Chinese contacts with Seoul.

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